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ANNUAL REPORT TO STOCKHOLDERS

FOR THE YEAR 1935

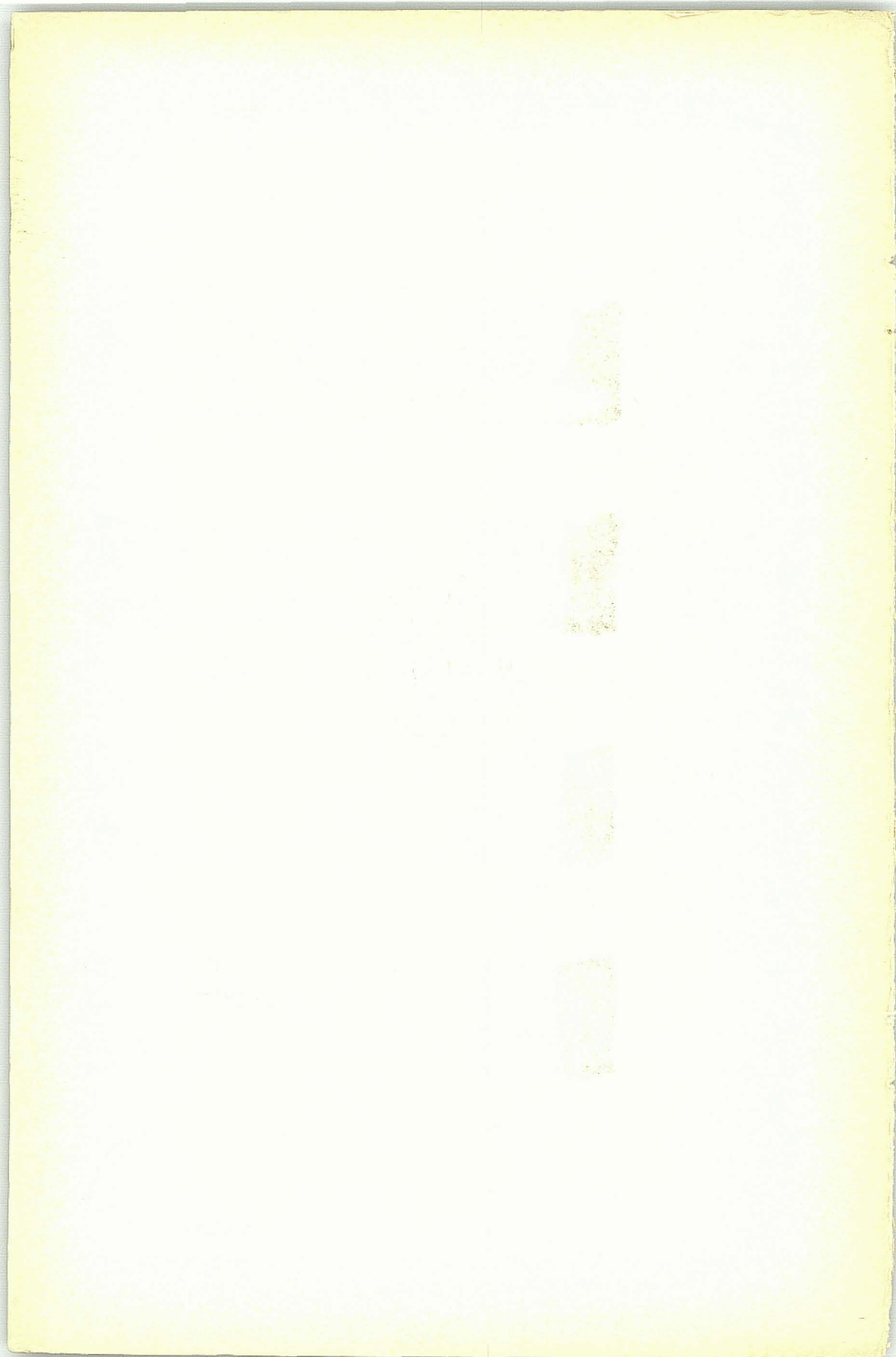


THE COCA-COLA COMPANY
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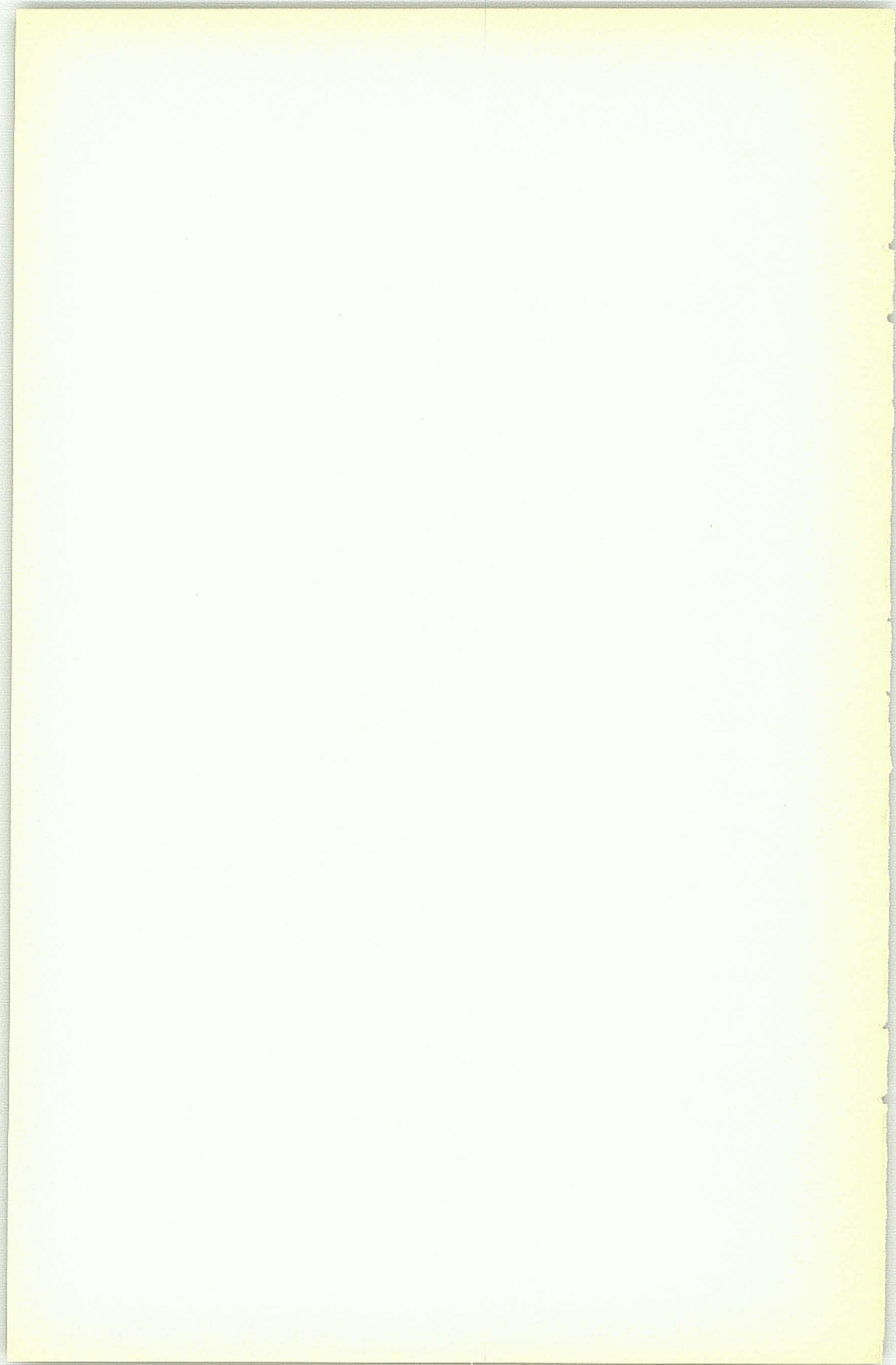


ANNUAL REPORT
THE COCA-COLA COMPANY
AND ITS SUBSIDIARIES



FOR THE YEAR
1935

APRIL 4, 1936



TO THE STOCKHOLDERS OF
THE COCA-COLA COMPANY:

Submitted herewith is the consolidated balance sheet and the statement of operations of The Coca-Cola Company and its subsidiary companies for the year 1935.

Improvement in the business of both foreign and domestic units resulted in net earnings applicable to common stock after taxes, Class "A" dividends, additions to reserves and other charges, of \$13,895,986.26.

The Company's one million shares of common stock have been divided into four million shares. Additional Class "A" stock acquired during the year brought treasury holdings to 200,000 shares, which were retired and cancelled, leaving 600,000 Class "A" shares outstanding in the hands of the public.

The entire capital stock of the Western Coca-Cola Bottling Company, the parent bottling company operating in nineteen central-western states, was acquired during the year.

Reserves were strengthened in accordance with the policy previously followed in favorable years and inventories are at levels providing a reasonable future coverage of raw materials at favorable prices.

Coca-Cola enjoys the widest public acceptance in its history as it begins its second half century.

Respectfully submitted,

R. W. WOODRUFF,

President.

WILMINGTON, DELAWARE, *April 4, 1936.*

CONSOLIDATED THE COCA-COLA COMPANY AND ITS SUBSIDIARIES

December 31, 1934

ASSETS		
CURRENT		
Cash on deposit and placed on call . .	\$ 6,841,232.86	
Governmental securities — At cost, United States and Foreign—(Mar- ket value \$3,741,933.21)	3,748,576.24	
Accounts receivable—Trade—(Less al- lowance of \$40,667.07)	1,888,283.57	
Inventory—Merchandise including sugar stored in bonded warehouses— (Priced at lower of cost or market)	10,944,450.89	\$23,422,543.56
OTHER ASSETS		
Securities of affiliated Companies not consolidated—At cost	\$ 138,410.34	
Accounts due from affiliated Companies not consolidated	129,588.66	
Other investments at cost, etc. . . .	279,210.42	
Miscellaneous other notes and accounts receivable	424,320.82	971,530.24
PERMANENT ASSETS—(At cost)		
Land	\$ 1,295,250.29	
Buildings	5,556,588.98	
Machinery and equipment	3,984,915.62	
Containers	851,627.88	
	\$11,688,382.77	
Less: Allowance for depreciation . .	4,811,515.51	6,876,867.26
FORMULAE, TRADE-MARK AND GOODWILL—		
At cost—(Increase due to acquisition of additional subsidiary)	30,576,423.46	
DEFERRED CHARGES	269,374.65	
		<u>\$62,116,739.17</u>

BALANCE SHEET S WHOLLY OWNED SUBSIDIARIES

31, 1935

LIABILITIES

CURRENT

Accounts payable	\$ 1,258,886.58	
Accrued expenses	33,661.37	
Accrued taxes—Including income and capital stock taxes	3,724,439.01	\$ 5,016,986.96

RESERVE

For contingencies and miscellaneous operations . . .	8,910,185.36
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CAPITAL STOCK

Class "A"—No par value:

\$3.00 preference dividend cumulative

Callable at \$52.50 per share

Authorized and originally issued

1,000,000 shares

Outstanding De-
cember 31, 1934 800,000 shares

Less: Retired in
1935 200,000 shares

Issued and out-
standing . . . 600,000 shares \$ 3,000,000.00

Common—No par value:

Authorized and is-
sued 4,000,000 shares 25,000,000.00

\$28,000,000.00

SURPLUS—Earned 20,379,099.91

\$48,379,099.91

Less: Common stock owned by Com-
pany—At cost—8,100 shares . . . 189,533.06 48,189,566.85

\$62,116,739.17

CONSOLIDATED STATEMENT OF INCOME AND EXPENSE
THE COCA-COLA COMPANY AND ITS WHOLLY OWNED SUBSIDIARIES

Year Ended December 31, 1935

GROSS PROFIT		\$31,301,697.06
EXPENSES		
Selling, branch, administrative and general		10,791,743.47
OPERATING PROFIT		\$20,509,953.59
Other deductions	\$ 1,940,796.44	
Less: Other income	415,099.11	1,525,697.33
PROFIT BEFORE INCOME TAXES		\$18,984,256.26
Provision for income taxes		3,180,000.00
NET PROFIT		<u>\$15,804,256.26</u>

(NOTE)—Provision of \$444,058.33 for depreciation was charged to manufacturing and other expenses. Other deductions include interest paid, \$2,076.61, and net additions of \$1,416,527.01 to reserve for contingencies and miscellaneous operations.

CONSOLIDATED SURPLUS ACCOUNT

BALANCE—December 31, 1934	\$24,762,053.37
Net profit for year ended December 31, 1935	15,804,256.26

DEDUCTIONS	\$40,566,309.63
Dividends paid in cash:	

CLASS "A":

June 29, 1935—\$1.50 per share	\$ 1,200,000.00	
Dec. 28, 1935—\$1.50 per share	900,000.00	
	<u>\$ 2,100,000.00</u>	
Less: Dividends on stock held by subsidiaries	191,730.00	\$ 1,908,270.00

COMMON:

Mar. 29, 1935—\$2.00 per share	\$ 2,000,000.00	
June 29, 1935—\$2.00 per share	2,000,000.00	
Sept. 30, 1935—\$2.00 per share	2,000,000.00	
Dec. 28, 1935—\$0.50 per share regular, \$0.25 per share extra	3,000,000.00*	
	<u>\$ 9,000,000.00</u>	
Less: Dividends on stock held by Company	90,675.00	8,909,325.00

TOTAL DIVIDENDS PAID	\$10,817,595.00
Cost of 200,000 shares Class "A" stock retired	\$10,369,614.72
Less: \$5.00 per share charged against capital stock liability	1,000,000.00
	<u>9,369,614.72</u>
TOTAL CHARGES TO SURPLUS	20,187,209.72
BALANCE—DECEMBER 31, 1935	<u>\$20,379,099.91</u>

* The first three dividends on common stock were paid on the 1,000,000 shares then outstanding; the dividend paid on December 28, 1935, is on 4,000,000 shares, into which the 1,000,000 shares were changed during December, 1935.

ERNST & ERNST

ACCOUNTANTS AND AUDITORS

SYSTEM SERVICE

March 23, 1936.

THE COCA-COLA COMPANY,
Wilmington, Delaware.

We have made an examination of the Consolidated Balance Sheet of THE COCA-COLA COMPANY and its wholly owned subsidiaries as at December 31, 1935, and of the consolidated statements of income and surplus for the year ended that date. In connection therewith we examined or tested accounting records of the Company and of its domestic subsidiaries, together with other supporting evidence, and obtained information and explanations from officers and employees of these Companies; we also made a general review of the accounting methods and of the operating and income accounts for the year, but we did not make a detailed audit of the transactions. Statements were furnished us for the principal foreign subsidiaries certified by other independent auditors; and uncertified statements for other foreign subsidiaries, whose assets represent a relatively small portion of the total assets, were furnished by the Company. Assets and liabilities in Canada and Cuba are stated, respectively, on a dollar for dollar, and a dollar for peso basis. Current assets and current liabilities of other foreign subsidiaries are included in the balance sheet at valuations based upon rates of exchange prevailing at the close of the year, the fixed assets being converted at the rates in effect on the dates investments were made in these companies.

In our opinion, based upon our examination and the statements of foreign subsidiaries above referred to, the accompanying consolidated balance sheet and related consolidated statements of income and surplus fairly present the consolidated financial position of the Company and its subsidiaries at December 31, 1935, and the consolidated results of operations for the year ended at that date. Further, it is our opinion that the statements have been prepared in accordance with accepted accounting principles and on a basis consistent with the preceding year.

ERNST & ERNST.

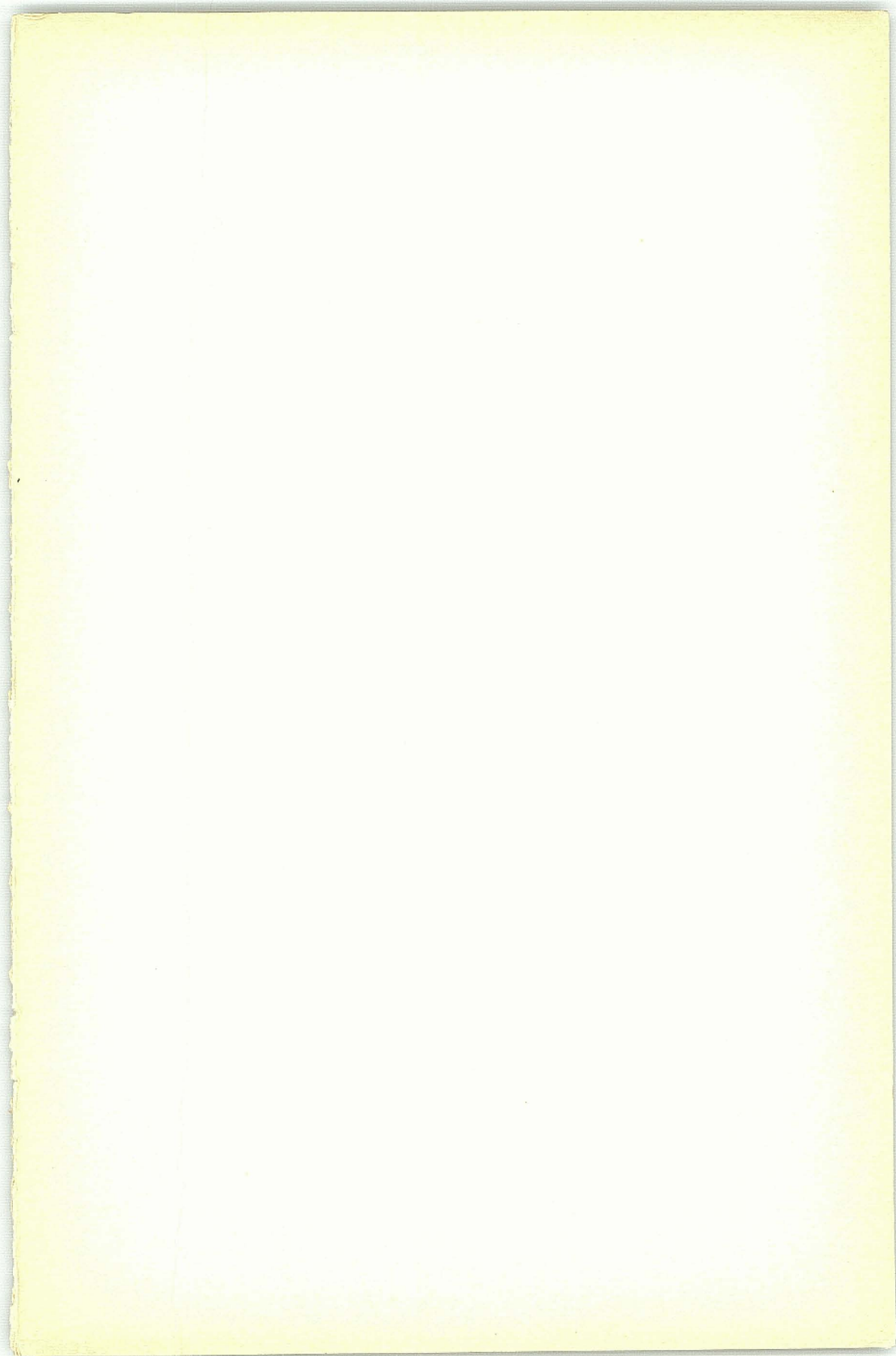
THE COCA-COLA COMPANY

DIRECTORS	W. C. BRADLEY	Columbus, Ga.
	J. B. CAMPBELL	Atlanta, Ga.
	C. H. CANDLER	Atlanta, Ga.
	W. C. D'ARCY	St. Louis, Mo.
	S. C. DOBBS	Atlanta, Ga.
	MRS. LETTIE P. EVANS	Hot Springs, Va.
	T. K. GLENN	Atlanta, Ga.
	HAROLD HIRSCH	Atlanta, Ga.
	LINDSEY HOPKINS	Coral Gables, Fla.
	J. P. ILLGES	Columbus, Ga.
	WINSHIP NUNNALLY	Charlottesville, Va.
	C. J. ROOT	Terre Haute, Ind.
	E. W. STETSON	Greens Farms, Conn.
	WALTER C. TEAGLE	New York, N. Y.
	D. A. TURNER	Columbus, Ga.
	C. A. WICKERSHAM	Atlanta, Ga.
	R. W. WOODRUFF	Wilmington, Del.

EXECUTIVE	W. C. BRADLEY	C. H. CANDLER	T. K. GLENN
COMMITTEE	J. B. CAMPBELL	R. W. WOODRUFF	E. W. STETSON
		W. C. D'ARCY	

TRANSFER	WILMINGTON TRUST COMPANY . . .	Wilmington, Delaware
AGENTS	GUARANTY TRUST COMPANY OF NEW YORK .	New York, N. Y.

REGISTRARS	EQUITABLE TRUST COMPANY	Wilmington, Delaware
	CHASE NATIONAL BANK	New York, N. Y.



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